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# AGRICULTURAL COOPERATION

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## SUMMARY OF LIMA BEAN POOLS FOR PAST SEASON

Receipts, expenses and net returns for the 1924 pools of the California Lima Bean Growers' Association, Oxnard, Calif., are shown in the following table. The figures were selected from the auditors' report, dated July 10, 1925.

	:	:	Sales	:	Expenses	:	Net to Locals
	:	Pounds	:	Per	:	Per	:
	:	Handled	:	Bag	:	Bag	:
	:	Total	:	Total	:	Total	:
Limas	:	19,914,180	:	\$2,599,636	:	\$13.05	:
	:		:	\$82,484	:	\$0.414	:
	:		:		:	\$2,517,152	:
	:		:		:		:
Baby Limas	:	12,022,772	:	1,361,591	:	11.33	:
	:		:	44,256	:	.368	:
	:		:		:	1,317,695	:
	:		:		:		:

Brokerage, discount and exchange, storage, and administration and selling, were the large items of expense; inspection, insurance and interest also reached considerable amounts, with numerous smaller items.

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## MINNESOTA POTATO EXCHANGE DECENTRALIZING

Decentralization of activities relating to receiving, storing, grading and shipping, was decided upon at the annual meeting of the county trustees of the Minnesota Potato Growers' Exchange, St. Paul, held July 21. It is proposed that the receiving, grading and loading at each shipping point shall be in charge of a local committee of three to be elected by the local growers, and that the shipping point expense shall be purely a local matter. It is expected that the local committees will cooperate with the state exchange, especially in the matter of grade standards.

It is urged by the management that the members will benefit in two ways by this change in policy. They will gain directly by any economical practices they may introduce in handling potatoes at the local warehouse, and, being directly concerned in the cost of the local work, they will learn of the possibilities, limitations and responsibilities of cooperative marketing.

It was the unanimous decision of the 51 trustees present at the annual meeting, representing 33 county associations, to continue the present organization for the cooperative marketing of potatoes.

PRUNE AND APRICOT ASSOCIATION MAY REORGANIZE

A plan of reorganization has been submitted to the membership of the California Prune and Apricot Growers' Association, San Jose, Calif. The plan includes the abolition of the "Voting board," which has in the past selected the members of the board of directors, and the division of the producing territory into fifteen districts in each of which shall be set up machinery for the election of a member of the board of directors. The suggested plan of reorganization also includes provisions for any grower to withdraw from the association in March of 1926, and provisions for annual withdrawal. In this connection it is proposed that new ten-year marketing agreements be submitted to the members for signature and that prunes and apricots be covered by separate agreements.

Local units have been suggested as a feature of the proposed plan for the election of members of the board of directors. These locals would function as political units with no duties except those of selecting men to represent them, and those connected with the maintenance of membership morale. Each local would have a board of control consisting of five members. All of the boards of control in a district in joint meeting would select a director to represent the district on the board of directors of the association. It is further provided that the presidents of the local units in each district shall constitute a district executive committee and shall "supervise all association activities and elections in the district" and the district executive committee shall act as an advisory committee to the association board of directors and "shall perform such functions and duties in reference to grading of fruits of growers, operation of the warehouses and membership campaigns as may be entrusted to it from time to time by the board of directors."

In submitting the proposed plan to the membership, provision was made for passing separately upon several of the features, so that the members might indicate their approval of the different features.

It was agreed by the reorganization committee that if it should be decided to let members withdrawn in March of 1926, any members taking advantage of such opportunity should forfeit some of the equities which they might have in the assets of the association as represented by deductions from returns of past years.

The new general manager recently selected for the association is now on duty. He recently stated, "Financially, we are in fine condition. Our organization is cut down to a point where have reduced payroll costs to a reasonable figure. Our sales situation is just what we have been hoping for, namely an opportunity to go into a new season without the hampering influence of a large carry-over of old crop. We have a plan of reorganization, which has as its objective, giving the grower relief from the irksome and harmful features of his relationship to our association."

(See Agricultural Cooperation, June 22, 1925, p. 257.)

MAINE POTATO EXCHANGE COMPLETES SECOND YEAR

An increase in quantity of potatoes handled, with decreases in prices received, operating expenses and net returns to its grower members, is, in brief, the story of the Maine Potato Growers' Exchange, Caribou, Maine, for its second year of activity. The number of barrels of potatoes handled during the season of 1924-25 was 3,396,724 barrels as against 2,897,860 for the preceding season. This was an increase of 12%. Gross sales for 1924-25 were \$7,066,061 as compared with \$8,383,376 for the year before.

Total deductions decreased from \$1,075,873 in 1923-24 to \$1,053,596 in 1924-25 and net cash payments to growers declined from \$4,958,334 for the first year to \$2,230,288 for the second year, as will be noted below:

Season	: Potatoes Handled	: Net Sales	: Deductions	b/ : Net to
	: Barrels	: Index: f.o.b. a/	:	: Producers
1923-24	: 2,897,860	: 100	: \$6,034,207	: \$1,075,873
1924-25	: 3,396,724	: 117	: 3,283,884	: 1,053,596

a/ Gross sales less sacks, twine, freight, heat, adjustments, allowances.

b/ Maintenance and operation, insurance for potatoes on farm and on track, deduction for warehouse investment, and reserve for general purposes.

Net sales, f.o.b. bulk, on a barrel basis, were approximately 97 cents the past season against \$2.08 the previous season. Total deductions per barrel were 31 cents last year while they were 37 cents for the season of 1923-24.

The items making up the deductions for the two seasons, on a barrel basis, are given in the table below:

	1924	1925
Net sales f.o.b. (bulk) a/	\$2.0818977	\$0.9667801
Deductions		
Maintenance and operation	.2714224	.2561378
Insurance for members	.0348422	.0210421
Warehouse investment	.0150000	.0247500
General Reserve	.0500000	.3101799
	1.7106331	.6566002

a/ Gross sales less sacks, twine, freight, heat, adjustments, allowances.

All the deductions save those for warehouse investment, were less in the second year than in the first.

At the close of the first year the investment for district warehousing corporations was \$257,000 and at the end of the second year \$278,000.



### FEDERATION OF MICHIGAN ELEVATORS HAS PROSPERED

Six years of business activity have been completed by the Michigan Elevator Exchange, Lansing, Mich. During the six-year period the plan of organization was twice changed and the method of operation was changed.

The first meeting looking toward definite organization was held at Saginaw, March 30, 1920. Another meeting was held at Lansing June 29, when it was decided to organize as a department of the Michigan State Farm Bureau. On October 20 the federation opened its doors for business with a membership of 23 local elevator associations and a working capital of \$4,600. It began functioning as a sales agency, selling grain, dry beans, and hay, for its member associations on commission. During the first year ending June 30, 1921, it was served by three different managers. It handled 1,571 cars of produce and sales amounted to \$1,994,955, but the year closed with a deficit of \$7,603. The membership increased to 90. Before the close of the second year the enterprise had been incorporated as the Michigan Elevator Exchange, a separate entity, although still closely affiliated with the Michigan State Farm Bureau. The business transactions of the second year included sales amounting to \$4,250,000 and resulted in a surplus of \$7,143.

Available statistics indicating the development of the exchange are as follows:

Year	:	Number	:	:	:	Surplus
	:	of Member	:	Capital	:	or
	:	Associations	:		:	Deficit
1920 a/	:	23	:	b/ \$4,600	:	-----
1921 d/	:	90	:	b/ 10,950	:	c/ \$7,603
1922 d/	:	102	:	b/ 15,540	:	7,143
1923 d/	:	93	:	b/ 16,820	:	17,868
1924 d/	:	91	:	b/ 17,030	:	18,048
1925 d/	:	--	:	e/ 50,000	:	f/ 27,149

a/ October 20.

b/ Working capital

c/ Deficit.

d/ June 30.

e/ Capital stock

f/ Reserve \$10,000 and undivided patronage dividend \$17,149.

In the fall of 1923 there arose a need for facilities for packing and warehousing beans. A plant at Port Huron, Mich., was rented and a separate corporation, the Michelex Elevator and Warehouse Company, was formed. The results were so satisfactory that the plant was purchased and common and preferred capital stock issued. The warehouse company took possession of the Port Huron plant on August 15, 1924, and during the year ending with June 30, 1925, handled through the plant, 830 cars of beans.

During the past year the Michigan Elevator Exchange has been put on a capital stock basis, stock to the amount of \$40,000 having been issued. Sales for the year were in excess of \$8,000,000. At the close of the year the reserve and undivided patronage dividends amounted to \$27,149.

SOUTHWEST WHEAT GROWERS COMPLETE THIRD YEAR

Two state wheat associations, the Oklahoma Wheat Growers' Association, Enid, Okla., and the Texas Wheat Growers' Association, Amarillo, Tex., are federated to conduct a joint sales agency, the Southwest Wheat Growers' Association, Enid, Okla. This agency has completed its third year. The first year it handled less than 3,200,000 bushels of wheat for the two associations, the second year it handled over 5,700,000 bushels and the third year over 8,700,000 bushels. Wheat sales for the first year were nearly \$4,000,000; for the second year over \$6,600,000 and for the third year over \$12,400,000. Member wheat growers were paid nearly \$5,000,000 for their 1923 wheat and over \$10,000,000 for their 1924 crop, as will be noted by the table below:

Season	Wheat Received (Bushels)	Index	Wheat Sales	Paid Wheat Growers (Per cent)
1922-23	3,179,595	100	\$3,920,177	\$2,753,153 : 70
1923-24	5,771,277	181	6,614,846	4,698,996 : 71
1924-25	8,710,276	274	12,487,592	10,224,975 : 82

The percentage of the sales which was paid to member growers in 1922-23 was 70%; in 1923-24, 71% and in 1924-25, 82%.

Figures have been furnished by the management of the sales agency indicating the average net pool price per bushel at country stations, the amount of the deductions made from this price, and the average price paid wheat growers, for the three seasons that the associations and sales agency have been operating. The lowest average net price for the three years was 90 cents in 1923-24, and the highest average net price was \$1.25 for the season just closed. Average local handling charge per bushel has been reduced from 4.499 cents in 1922-23 to 3.985 cents in 1924-25. Operating charges have also been reduced during the three-year period. The first year they were over two cents a bushel and the last year a trifle under 1.5 cents a bushel. The average amount per bushel deducted for state offices and reserves has been increased each year, the increase being entirely in the matter of reserves.

Member wheat growers have received the average net pool price for their respective shipping stations less the charges mentioned above.

In the following table the more important facts regarding selling price, deductions and average amount per bushel paid farmers is given:

Season	Average Pool Price a/	Local Handling Charges	Operating Expenses	State Offices and Reserves	Paid Wheat Growers
1922-23	\$1.00351	\$0.04499	\$0.02205	\$0.01000	\$0.92647
1923-24	.90520	.04271	.01797	.01653	.82799
1924-25	1.25536	.03935	.01464	.01940	1.15147

a/ At country stations.

The net pool price for each shipping station is worked out separately, it depending upon freight rate to the Gulf of Mexico, quality of wheat produced and cost of local handling.

Wheat of the 1924 crop was received from 232 shipping stations in Oklahoma and 108 stations in Texas, a total of 340 stations. The preceding year wheat was received from 192 Oklahoma stations and 65 stations in Texas.

The number of bushels credited to each of the two state associations for the three-year period is given below, also index numbers, using the 1922 deliveries as equal to 100:

Season	Wheat Received					
	Oklahoma		Texas		Total	
	(Bushels)	(Index)	(Bushels)	(Index)	(Bushels)	(Index)
1922-23	2,961,074	100	218,521	100	3,179,595	100
1923-24	4,560,787	154	1,210,490	554	5,771,277	182
1924-25	a/6,280,980	212	a/2,429,296	1111	8,710,276	274

a/ Estimated.

The above index numbers indicate that the greatest percentage increase in volume of business has taken place in connection with the wheat deliveries in Texas.

Handling charges at the different stations in the two states varied from 1 cent a bushel to 7 cents a bushel. The expenditures making up these charges were largely in the hands of local agencies and the figures indicate the degree of efficiency with which the various agencies functioned. In most cases the charges were either 3, 4 or 5 cents.

Figures are also given indicating the average handling costs at the local elevators for the three seasons. The local elevator cost for handling the 1922 wheat was 4.499 cents a bushel, the cost for the 1923 wheat was 4.271 cents and for the 1924 wheat, 3.985 cents.

The more important facts in connection with the handling of the 1924 crop are set forth by the figures given below:

Wheat sales.....	\$12,487,592.78
Freight (Less railroad claims and differential to the Gulf)...	\$1,141,270.69
Local handling charges.....	347,088.84
Costs and carrying charges.....	478,214.18
Operating expenses (Less labor- atory revenue).....	127,049.73
Reserves.....	168,993.72
Total deductions.....	2,262,617.16
Paid member wheat growers.....	10,224,975.62

During 1923-24, members were paid \$43,183 for storing their own wheat until the sales agency was ready to handle it and during the 1924-25 season they were paid \$132,433. This was in addition to the amounts paid for the grain. (See Agricultural Cooperation, November 3, 1924, p. 365.)



REPORTS ON COTTON MARKETING ASSOCIATIONS

Over 1,125,000 bales of cotton of the 1924 crop, or approximately 8%, were marketed through sixteen large cotton associations according to the latest available figures. Fourteen of these associations which were operating in the previous season handled 929,299 bales of the 1923 crop; nine associations operating in connection with the 1922 crop handled 753,849 bales; and four associations received and sold 351,839 bales of 1921 cotton.

Figures indicating the number of bales received from the grower members of the different associations for the last four seasons are as follows:

Name	1921-22	1922-23	1923-24	1924-25
	Season	Season	Season	Season
	(Bales)	(Bales)	(Bales)	(Bales)
Alabama Farm Bu. Cotton Assn., Montgomery, Ala.	-----	57,407	65,316	79,366
Arizona Pima Cotton Growers, Phoenix, Ariz.	10,700	10,249	a/ 7,948	a/ 9,748
Arkansas Cotton Growers' Coop. Assn., Little Rock, Ark.	-----	62,896	37,807	40,361
Arkansas Farmers' Union Cotton Growers' Assn., Little Rock.	-----	-----	3,341	3,846
Georgia Cotton Growers' Coop. Assn., Atlanta, Ga.	-----	53,942	70,812	105,332
Illinois Cotton Growers' Coop. Assn., Mound City, Ill.	-----	-----	-----	108
Louisiana Farm Bu. Cotton Growers' Coop. Assn., Shreveport, La.	-----	-----	29,885	26,537
Staple Cotton Coop. Assn., Greenwood, Miss.	156,026	168,021	107,432	124,542
Mississippi Farm Bu. Cotton Assn., Jackson, Miss.	-----	-----	33,855	44,163
Missouri Cotton Growers' Coop. Assn., New Madrid, Mo.	-----	-----	3,708	2,044
North Carolina Cotton Growers' Coop., Assn., Raleigh, N. C.	-----	135,912	130,853	116,472
Pecos Valley Cotton Growers' Assn., Roswell, N. Mex.	-----	-----	-----	7,000
Oklahoma Cotton Growers' Assn., Oklahoma City, Okla.	91,311	65,363	118,743	141,440
South Carolina Cotton Growers' Coop. Assn., Columbia, S. C.	-----	b/ 121,848	b/ 121,963	b/ 121,280
Tennessee Cotton Growers' Assn., Memphis, Tenn.	-----	-----	15,316	18,141
Texas Farm Bu. Cotton Assn., Dallas, Tex.	93,802	77,706	182,313	284,321
Total	351,839	753,849	929,299	1,125,376

a/ Revised figures.

b/ Figures subject to revision.

STAPLE COTTON GROWERS FURNISH DETAILED FIGURES

Revised figures regarding the activities of the Staple Cotton Cooperative Association, Greenwood, Miss., appear in the issue of the Staple Cotton Review for July 1, 1925. These show that the association has handled a total of 556,021 bales of cotton with a gross sales value of \$80,445,247 during the four years which it has been operating. This is an average value per bale of \$144.68, or an average per pound of 28.94 cents on the basis of 500 pounds to the bale.

The detailed figures for the four years are as follows:

Crop	:	Bales	:	Gross Value		:	Average
				Total	Per Bale		Price
1921	:	156,026	:	\$20,299,394	\$129.82	:	25.96
1922	:	168,021	:	24,943,174	148.45	:	29.69
1923	:	107,432	:	17,410,097	162.06	:	32.41
1924	:	124,542	:	17,792,580	142.36	:	28.57

(See Agricultural Cooperation, June 22, 1925, page 260.)

It is pointed out by the management of the association that the above are the average values for all cotton handled. It will be noted that the length of staple for nearly 4% of all the cotton handled was under 1-1/16 inches, and over 46% of all the cotton was under middling in grade. The percentages given for the several marketing seasons are as follows:

Season	:	Short Cotton	:	Under Middling
		(Per Cent)		(Per cent)
1921-22	:	3.5	:	52.9
1922-23	:	1.6	:	49.9
1923-24	:	2.4	:	45.1
1924-25	:	8.6	:	35.0

On July 1 two-thirds of the present membership had signed the renewal marketing agreement. This assures the association more than 100,000 bales of cotton a season following the expiration of the present marketing agreement. The campaign for signatures is being continued with the expectation that a larger number of bales will be pledged for the future than has been under contract during the past four years. (See Agricultural Cooperation, March 16, 1925, page 117.)

It is reported by the management of the association that the advance fund certificates issued in 1922 and in 1923, amounting to about \$860,000, were redeemed early in July at 105% of face value.

PIMACOTTON REPORTS REDUCED OPERATING EXPENSES

Eighteen hundred more bales of cotton were handled by the Arizona Pimacotton Growers, Phoenix, Ariz., during the 1924-25 season than during the preceding year. The total figures for the two years, as given in the annual report of the general manager and secretary, are 7,948 bales for the season of 1923-24 and 9,746 bales for the season of 1924-25.

Operating expenses and handling charges for 1923-24 and 1924-25 were as follows:

	: 1923-24	: 1924-25
Net operating expense	: \$14,084	: \$20,819
Handling charges	: 25,853	: 20,163
Total	: 39,942	: 40,982

The total costs per bale for the two seasons were \$5.06 for the first year and \$4.20 for the second. Operating expenses were the sum of six groups of items, the relative importance of which is indicated below:

	: 1923-24	: 1924-25
	: (Per cent)	: (Per cent)
Executive and administrative	: 17.6	: 27.0
General office	: 25.9	: 22.7
Selling expense	: 13.1	: 12.4
Grading and sampling	: 18.1	: 16.7
Field expense	: 6.7	: 4.9
Other expense	: 18.6	: 16.3
Total	: 100.0	: 100.0

Handling charges include drayage, storage, insurance and interest. As will be noted by the figures given above, these charges were less last season than the preceding season even though a larger number of bales of cotton were handled the past season.

The 1924-25 cotton was sold in 34 pools. Eight of these contained long staple cotton and 26 short staple. The average selling prices for the cotton in the long staple pools ranged from 41 cents a pound to nearly 49 cents, and the average prices for the cotton in the short staple pools ranged from 16 cents to 32 cents. These prices were f.o.b., Phoenix.

The association at the close of business on May 31 had a net worth of approximately \$91,000 made up of surplus and reserve. Deductions from amounts due members as returns on cotton of the first three crops handled by the association amounted to \$81,652. This has been used in part to finance the Arizona Cotton Processing Company, a subsidiary corporation which has purchased a quarter interest in the Mutual Cotton and Oil Company. (See Agricultural Cooperation, July 6, 1925, p. 276 and August 3, 1925, p. 320.)

The management of the association is urging its members to take advantage of the opportunity of having their fields of pima cotton inspected for certification by the agricultural college. It is stated that if a field is certified as pure pima cotton the fiber will bring from \$10 to \$25 a bale additional.



### FINAL RETURNS MADE TO GEORGIA COTTON GROWERS

A final payment amounting to \$2,159,000 was made recently to the members of the Georgia Cotton Growers' Cooperative Association, Atlanta, Ga. The total payments for the 1924 crop reached \$12,000,000 on the 105,982 bales of cotton delivered by the members of the organization.

The cotton was handled in 48 pools and the net returns to the growers ranged from 19.73 cents a pound for "dogs" to 39.22 cents a pound for long staple cotton. About 70% of the total quantity received graded middling or better. (See Agricultural Cooperation, June 22, 1925, p. 262.) Members received 23.41 cents for strict middling, 7/8 to 1 inch staple, and 22.47 cents for middling. Good middling white, 1-1/16 inch staple, returned to growers 26.02 cents a pound.

Expense of handling the crop, including storage, insurance, interest and administration, amounted to .99 cents a pound or \$4.86 per average bale of 491 pounds. During the first years of the association the average cost of marketing was in the neighborhood of \$7 a bale. It is explained by the management that the increase in number of bales handled, along with more efficient office methods, is largely responsible for the reduced expense per bale.

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### ARKANSAS COTTON ASSOCIATION SERVES OTHER ORGANIZATIONS

A statement issued recently by the management of the Arkansas Cotton Growers' Cooperative Association, Little Rock, covering the three years that the association has been in operation indicates that 180,000 bales of cotton have been handled and that growers have been paid over \$22,700,000, as is indicated below:

				Cost	
Season	Cotton	Paid	Expense a/	Per	Per
	Handled	Members		Bale b/	Found
	(Bales)				(Cents)
1922-23 c/	62,896	\$8,367,413	\$379,991	\$6.04	1.19
1923-24	55,833	7,227,147	499,576	8.80	1.79
1924-25	60,553	7,180,705	357,449	5.70	1.12
Total	180,282	22,775,265	1,237,016		

a/ Including freight, storage, interest, insurance, exchange and administrative expense. b/ Average weight per bale was 508.5 pounds in 1922-23; 492 in 1923-24 and 513 in 1924-25. c/ Eight and one-half months.

The Arkansas association served as sales agent for the Tennessee and Missouri cotton growers' associations during its second year of operation and for the Tennessee, Missouri and Illinois associations during its third year. The above figures include the cotton delivered by the members of these associations. The Tennessee growers are planning on their own sales office in Memphis.

A balance sheet as of May 30, shows the total assets of the association as \$247,437. Among the liabilities were reserves totaling \$200,047 which represented members' equities.



TOBACCO ASSOCIATION BEGINS FOURTH SEASON

The fourth season of operation was begun by the Tobacco Growers' Cooperative Association, Raleigh, N. C., on August 4 when it opened about thirty warehouses in South Carolina and border counties of North Carolina to receive 1925 tobacco. The association reports that more than 700 new members have been added to the association by voluntary workers.

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DARK TOBACCO GROWERS PAID THIRTY-SIX MILLIONS

Since it began receiving tobacco in January of 1923- thirty months ago- the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., has paid its members over \$33,500,000. Following the sale of the tobacco now on hand, there will be a further distribution of about \$10,000,000.

During the thirty months the association has acquired warehouse property valued at \$3,250,000 which is fifty per cent paid for.

A statement regarding liquidated damages made under date of May 30, 1925, shows that settlements to that time amounted to \$132,190, as follows: Cash settlements, \$17,345; notes, \$72,690; assignments \$23,311; judgments, \$18,844. Of the total amount, \$36,920 has been paid to the association and \$95,270 is yet to be paid.

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PRELIMINARY FIGURES ON DELIVERIES TO TOBACCO ASSOCIATIONS

Over 365,000,000 pounds of tobacco of the 1924 crop has been received by three of the seven large cooperative tobacco marketing associations from their members. The associations and the quantity of tobacco received by each is as follows:

Association	:	Tobacco Received 1924-25 (Pounds)
Burley Tobacco Growers' Coop. Assn., Lexington, Ky.	:	a/ 171,287,648
Tobacco Growers' Cooperative Assn., Raleigh, N. C.	:	b/ 103,834,844
Dark Tobacco Growers' Coop. Assn., Hopkinsville, Ky.	:	c/ 90,315,000

a/ May 18, 1925.

b/ To May 21.

c/ To July 23.

OHIO EQUITY SHIPS HAY, LIVESTOCK AND GRAIN

Shipments and receipts by the Equity Exchange Company, Galion, Ohio, amounted to 646 car loads during the year ending May 30, 1925. The shipments consisted of 388 cars of hay, 38 cars of livestock, and 37 cars of grain. The receipts included 63 cars of coal, 38 cars of fertilizer and tankage, and 23 cars of flour and feed. Total sales for the year were \$359,601, compared with \$265,638 for the preceding year. Net profits for the year ending with May of 1924 were \$7,811, and for the year ending with May of 1925, \$13,078.

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HAY ASSOCIATION MAKES RAPID GROWTH

Three years of operation were completed on April 1, 1925, by the Roosevelt Hay Growers, Phoenix, Ariz. Its growth is indicated by the quantities of hay handled each of the three years, and the sums of money paid to its members. In round numbers, the association handled 5,000 tons of hay the first year and paid its members \$80,000; the second year it handled 12,500 tons and paid the members \$180,000; the third year the number of tons handled was 25,000, and the members received \$325,000.

There are now 300 members. The five-year contract has two more years to run, and contracts with new members are for the unexpired two years. The contract requires members to sell all their surplus hay and seed through the association. The hay is graded according to government specifications and pooled according to grade. Settlement for hay is made once a year.

A recent development is the purchase of a mill and warehouse with the latest machinery for grading alfalfa seed and with storage space for two million pounds of seed. A contract has been made with a large seed firm in Kansas City to handle exclusively Arizona alfalfa seed obtained from the Roosevelt Hay Growers. This seed firm is keeping an alfalfa seed expert in the field to act in an advisory capacity, without extra charge.

The management prides itself upon its efficient operation, its low expenses, high net returns, and its high credit rating. Growers borrowed \$200,000 through the association last year at 8% interest. It is expected that a similar sum will be required this year, but, on account of the high credit rating of the association, it is expected that funds will be secured at a lower rate.

In addition to fulfilling the marketing functions, such as grading, shipping, storing, merchandising, adjustment of freight rates, and distribution of returns to members, the association purchases baling wire which it sells to the members at cost, and helps them secure balers and haulers.

About 60 to 70 per cent of the current price is advanced to the growers after grading.

A second pool is made of the fall crop of alfalfa seed.

CHICAGO PRODUCERS' ASSOCIATION COMPLETES THIRD YEAR

June 30, 1925, closed the third year of activity of the Chicago Producers' Commission Association, it having opened its doors for business June 19, 1922. During the three-year period it handled 3,105,549 animals. Of this number, 2,451,086 were hogs; 341,199 were sheep; 246,127 were cattle and 67,137 were calves, as will be noted by the figures below:

Year	Total	:	:	:	:	:
Ending	Animals	:	Hogs	:	Sheep	:
June 30	Received	:	:	:	Cattle	:
		:	:	:	:	:
1923 a/	754,953:	:	631,216:	:	45,527:	:
1924	1,198,009:	:	952,572:	:	131,520:	:
1925	1,152,587:	:	867,298:	:	164,152:	:
Total	3,105,549:	:	2,451,086:	:	341,199:	:

a/ Twelve and one-third months.

Index numbers have been computed to indicate the relative growth of the different lines of business included in the enterprise. The average number of animals of each kind handled during the three-year period has been used as 100, or a base, and the relation to this base of the number handled each year has been determined. These index numbers are as follows:

Year	:	Total	:	:	:	:	:
Ending	:	Animals	:	Hogs	:	Sheep	:
June 30	:	:	:	:	:	Cattle	:
	:	:	:	:	:	:	:
Av. 1923-25	:	100	:	100	:	100	:
1923	:	73	:	77	:	40	:
1924	:	116	:	117	:	116	:
1925	:	111	:	106	:	144	:
	:	:	:	:	:	:	:

It will be noted that the greatest percentage increase has occurred in the handling of sheep. The decrease in number of hogs handled in 1925 was because of decreased receipts at the market. The 1925 gain, over the three-year average for all animals, is 11%.

Total sales for the three years amounted to nearly \$74,000,000 and nearly \$70,000,000 was paid to shippers. The percentage of total sales paid to shippers for the three-year period was 94%. The percentages for each of the three years are shown in the following table:



Year	:	:	:	:
Ending	:	Total Sales	:	Net proceeds to shippers
June 30	:	:	Amount	Per cent
1923 a/	:	\$17,847,560:	\$16,780,534:	94
1924	:	24,653,525:	23,014,983:	93
1925	:	31,418,656:	29,321,512:	95
Total	:	73,919,741:	69,617,034:	94

a/ Twelve and one-third months.

The commissions collected by the association for the three years amounted to less than one million dollars and expenses to approximately \$600,000. Shippers received patronage refunds during the three-year period amounting to \$255,035. At the same time \$114,487 was carried to the surplus account. The figures for each of the three years are as follows:

Year	:	Total	:	:	:	Net Income
Ending	:	Income a/	:	Expenses	:	Refund : Surplus
June 30	:	:	:	:	:	:
1923 b/	:	\$233,340:	\$147,821:	\$69,084:	\$	16,375
1924	:	348,335:	212,006:	103,461:		42,542
1925	:	337,648:	242,659:	82,540:		55,570
Total	:	919,373:	602,546:	255,085:		114,487

a/ Income consists almost entirely of commissions charged for selling livestock.

b/ Twelve and one-third months.

According to information furnished by the management the association handled 6.63 per cent of the yard receipts at Chicago in 1923-24 and 6.87 per cent in 1924-25. During the year 1923-24 the association handled 31 per cent of the 16,975 cooperative loads received at the Chicago stockyards from Illinois points and during the past year 31 per cent of the 17,953 loads received from the same state. Of the Iowa cooperative shipments in 1923-24 numbering 34,270 the association handled 17.4 per cent and of the 34,331 in 1924-25 it handled 16 per cent.



MINNESOTA COOPERATIVE CREAMERIES TO HAVE NEW HOME

A proposition has been accepted by the board of directors of the Minnesota Cooperative Creameries Association, St. Paul, whereby a new plant designed to meet the needs of the business will be erected in Minneapolis and leased to the company on satisfactory terms with privilege of purchase.

Fifteen new refrigerator cars have been built for the exclusive use of the association in shipping Land O' Lakes butter, in order that the product may be handled without danger of contamination from foreign odors.

A car load of empty tin cans was received recently for use in packing butter for export shipments. The sizes are half-pound, one pound, and five pounds. The tins are sealed at the factory, wrapped in paper and packed in boxes. Land O' Lakes butter will now find its way into the Latin American countries, also into the West Indies and the Far East. All butter for export is now packed at the Monticello creamery.

A contract has been secured to supply the Presidential yacht, the Mayflower, with Land O' Lakes butter for the summer months.

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THIRTEENTH CHECK GOING TO DAIRYMEN'S LEAGUE MEMBERS

When members of the Dairymen's League Cooperative Association, Inc., New York City, receive their July milk checks on August 25, they will also receive the "thirteenth check" of the year. The rate of this payment is one cent per 100 pounds of milk, figured on 2,358,941,906 pounds of milk delivered during the year ending March 31, 1925.

There is also approximately \$25,000 to be included in this check as refunds on the certificates of indebtedness account to members whose deductions during the fiscal year total less than \$5, and for odd cents on all certificate accounts. Certificates in Series D were all issued in even dollars, from \$5 up, in the interests of efficiency. Smaller sums and odd cents were carried to the account of the thirteenth check.

About 45,000 checks will be issued and the total amount to be distributed will be \$235,804.19. The distribution will be made a month earlier than ever before.

The rates of refund and the total amounts for the four years that the association has been active are as follows:

Season	:	Rate per Cwt.	:	Amount
1921-22	:	\$0.01318	:	\$353,209.25
1922-23	:	.01830	:	653,469.90
1923-24	:	.00268	:	71,870.93
1924-25	:	.01000	:	235,894.19

CALIFORNIA POULTRY PRODUCES CUTTING EXPENSES

At a meeting of the board of directors of the Poultry Producers of Central California, San Francisco, held recently, it was reported that although the organization handled 25% more eggs during May of 1925 than during the corresponding month of 1924, the overhead expense of the association was less for 1925 than for 1924. It was also reported that as a result of increased savings in operation, the reserves were accumulating rapidly.

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ALBERTA POULTRY PRODUCERS ORGANIZING

Steps are being taken for the organization of a board of directors for the Alberta Poultry Pool, Calgary, Canada. Each member in the seven districts into which the territory is divided, is being supplied with a complete list of the members in his district, and is instructed to vote for ten from the list. The ten receiving the most votes in each district are to be the district delegates and are to select one of the seven directors who will compose the permanent board of directors.

It is reported that the contracts signed so far cover poultry products equal to one-third of the quantity of poultry and eggs marketed in the Province of Alberta during 1923.

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POULTRY AND EGG MARKETING ASSOCIATIONS ARE INCORPORATED

Most of the strictly egg and poultry, cooperative marketing associations in the United States are incorporated; more than one-half of the associations are organized with capital stock; less than one-half pay dividends on capital stock; and over two-thirds of the associations pool the returns received from products of equal grades; according to a survey recently made by the United States Department of Agriculture. Data received from 31 associations regarding the above points have been tabulated. Thirty of the 31 associations reported that they were incorporated; 17 reported they had capital stock, and 13 paid dividends on capital stock. In the case of 14 associations it was stated that only a limited amount of dividends were paid. The 17 associations with capital stock reported a total capitalization in excess of \$1,500,000. Twenty-two of the 31 associations reported that the returns from the products of the same grade were pooled, and all 31 of the associations reported the grading of eggs.

DEVELOPMENT OF COOPERATION IN SASKATCHEWAN

The development from year to year of some of the agricultural cooperative societies in Saskatchewan is shown by the following figures selected from the eleventh annual report of the Commissioner of Cooperation and Markets, for the year ending April 30, 1925:

Year	: Associa- tions : Reporting	: Number of Share- holders	: Paid-up Capital	: Value of Supplies Handled
1914	: 102	: 2,850	: \$13,494	: \$ 229,320
1915	: 173	: 5,537	: 39,421	: 805,456
1916	: 279	: 9,444	: 92,940	: 1,934,545
1917	: 304	: 12,459	: 151,805	: 3,076,466
1918	: 323	: 15,132	: 230,002	: 3,664,222
1919	: 350	: 18,248	: 362,251	: 4,506,131
1920	: 337	: 18,894	: 466,009	: 5,885,335
1921	: 343	: 18,008	: 501,070	: 4,406,060
1922	: 331	: 16,849	: 504,570	: 5,522,517
1923	: 304	: 16,082	: 438,557	: 2,936,353
1924	: 301	: 14,663	: 470,505	: 2,759,564

Separate figures are given showing the development of the live-stock shipping associations during the 11 years. These figures are as follows:

Year	: No. of Assns. : Marketing : Livestock	: Live Stock Number of Cars	: Value	: Total Sales <sup>a</sup>	: Net Profit
1914	: 9	: 30	: \$42,034	: \$261,354	: -----
1915	: 10	: 140	: 150,512	: 964,892	: \$19,102
1916	: 23	: 241	: 323,171	: 2,122,832	: 54,076
1917	: 35	: 548	: 1,050,285	: 4,160,262	: 110,921
1918	: 41	: 689	: 1,558,621	: 5,273,166	: 93,146
1919	: 42	: 784	: 1,576,033	: 6,139,591	: 115,517
1920	: 54	: 912	: 1,429,309	: 7,314,695	: 191,619
1921	: 41	: 564	: 607,876	: 5,026,822	: 130,493
1922	: 52	: 805	: 749,360	: 4,107,239	: 110,997
1923	: 47	: 744	: 657,480	: 3,643,501	: 96,110
1924	: 44	: 896	: 763,948	: 3,562,066	: 66,644

<sup>a</sup> Including other farm produce marketed.



Assistance has been rendered during the year to existing livestock organizations as well as to new associations beginning business. A great improvement is noted in the systematic manner in which carlot shipments are now handled by the leading associations. The conclusion has been reached that it is desirable to have a form of contract between shipper and association, as the contract gives stability to the organization and also gives the shipper more of a sense of responsibility.

At one point the livestock shipping department of a cooperative trading association has established a hog pool on a contract basis. Sales during 1924 amounted to \$117,208, the weight of the hogs handled being more than a million pounds. As the business was approaching some magnitude it was considered advisable to organize a separate body for marketing livestock and this was done.

Special efforts have been made during the past year to assist associations with their accounting and records. A book-keeping outline, with specimen sheets and explanatory notes was sent to each incorporated agricultural cooperative association in the province. Five kinds of these outlines were prepared, one each for the following five types of associations: community grazing, community hall, carlot or small store trading, large store trading, and swine breeders. Visits were also made to the offices of the associations and suggestions made for improving methods.

A development of community spirit is marked by the organization of a number of community halls and community grazing associations. The province now has 18 grazing associations, and 40 incorporated community halls.

Poultry marketing is being developed and in this connection a three-days school for poultry graders was held in November. Poultry-marketing meetings were held at a large number of points and were well attended.

The records of ten or more province-wide organizations are not included in the foregoing tables. These enterprises deal in grain, poultry, wool, registered seed, dairy products, hail insurance, livestock, etc.

Since the previous report four associations have been dissolved and the names of 23 more have been removed from the register of cooperative associations as they have either ceased to transact business or have been absorbed by other associations.



GEORGIA SUPREME COURT SUSTAINS STATE COOPERATIVE ACT

The Supreme Court of Georgia recently passed upon the case of Harrell v. Cane Growers Cooperative Association (126 S.E.-) and in all respects upheld the association.

It appears that the defendant contracted with the association to sell to it all the syrup made by him in the years 1922, 1923, 1924, 1925 and 1926. In 1922 he was vice-president of the association. During that year he marketed 234 barrels of syrup through the association but he sold 34 barrels outside of the association. The defendant refused to deliver any of the syrup made by him in 1923 and consequently the association brought suit to require him to perform his contract specifically, except with respect to the syrup which he had already sold outside of the association, and for the purpose of enjoining him from any further violation thereof.

It appeared that the association had made two advances amounting to \$9.50 per barrel on the syrup delivered by the defendant in 1922 but had not rendered at the time the suit was instituted a final accounting with respect thereto. Defendant contended that the fact that the association had not finally accounted for the syrup received from him in 1922 amounted to a violation of the contract with him and therefore relieved him from further compliance therewith.

Defendant also contended that the cooperative marketing act, under which the association was formed, was unconstitutional on the ground that the act was broader in scope than its title. He also contended that the provisions of the statute which authorized the by-laws and marketing contracts of associations formed under it to fix liquidated damages and which required members to pay all costs, premiums for bonds, expenses and fees, and authorized the issuance of injunctions and of decrees for specific performance, were unconstitutional in that a provision of the constitution of Georgia stated that special laws should not be passed with respect to matters covered by general laws, and the defendants urged that inasmuch as statutes of the state dealt more or less with the matter of court costs, injunctions, and specific performance, the specific provisions in the cooperative marketing act with respect to these matters were void.

The court held that all of these contentions were without merit, and affirmed the judgment of the lower court, which had been rendered in favor of the association. The chief justice of the state rendered an extended opinion in which he concurred specially in the conclusions reached by the lower court, and also went into some matters that were not discussed in that opinion. The following quotations from the opinion of the chief justice should be of interest:

The pith of the defendant's contention is that the association has not paid him for the syrup furnished by the defendant the amount of money which the association received from the sale thereof.... The nature of the contract, which the defendant voluntarily

entered into, does not impose any obligation on the association to pay to any one producer the amount received from the sale of that particular article, or pay him the entire proceeds of a sale if the entire crop delivered by him be sold as a whole. The member agrees to enter a pool and in consideration of the benefits anticipated as a result of the pooling arrangement, he agrees to accept the best price the association is able to get for the membership as a whole upon produce of the same quality as that furnished by him after a complete accounting has been made and payment of all debts and expenses necessary in effecting the sale of the syrup as a whole.

... It is very clear that the association was not able to pay Harrell as much for his syrup as it had received, by reason of the expenses of the business. But the association had made him advances, as it had to other members.... The amount to be divided could not be determined by reason of the failure to sell all the syrup. The circumstances did not authorize the conclusion that the plaintiff intended to breach the contract, and its delay in making settlement was in contemplation of the contracting parties at the time Harrell made his contract. The real question, considering the intention of the parties in making the contract, is not whether Harrell received as much money for his syrup as the association was paid for it, but whether he will not get a better price than would ever have been received for the syrup if all of the syrup produced by the members of the association had not been pooled. From this it will be apparent that if the contract is valid and enforceable under the provisions of the cooperative marketing act, there is no merit in the insistence of the plaintiff in error.

The chief justice also held that the association was not a monopoly and was not operating in restraint of trade within the meaning of the constitution of Georgia. He also pointed out that since the plaintiff in error is a member of the Cane Growers' Association, he cannot attack the constitutionality of the law under which it was organized. "It is a well established general rule that where one contracts with an alleged corporation as such, and in such manner as to recognize its corporate existence de jure or de facto, he will be estopped to deny the fact thus admitted."

Over a dozen states have now upheld the right of associations to enforce their contract.

L. S. Hulbert.

MICHIGAN BEAN GROWERS PREPARING TO ORGANIZE

A plan has been adopted for the organization of the bean growers of Michigan for cooperative marketing. At a meeting held at Lansing, July 20, it was decided to organize local associations based on a membership fee of \$3, and when twenty locals were in existence, to unite them in a federation to be known as the Michigan Bean Growers' Exchange, based on a membership fee of \$100 per local association. Committees were appointed to carry forward the work of organization.

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INSTITUTE OF COOPERATION ATTRACTS MUCH ATTENTION

As this is being written the first session of the American Institute of Cooperation, at Philadelphia, is drawing to a close. The attendance has been good, the interest keen, the daily sessions have attracted much attention throughout the country, and considerable publicity has been given to the proceedings by the press of Philadelphia and other cities as well as the farm press.

A stenographic report of the addresses and discussions is being prepared for subscribers on the basis of \$35 for the full report or \$10 for any one week. Orders should be sent to the Secretary of the Institute, 1731 I Street, N. W., Washington, D. C.

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FEDERATION PROMOTES USE OF PURE AND ADAPTED SEEDS

The states of Illinois, Indiana, Maryland, Michigan, New York, Ohio, Pennsylvania, and Virginia were represented at the first annual meeting of the Federated Seed Service, Chicago, an organization created in 1924 by the cooperative seed services of seven states, for the purpose of insuring an adequate supply of high grade seeds of known origin, and for the dissemination of information regarding pure and adapted seed. It was reported that sales through "SafeSeed," a corporation set up as a sales agency, had amounted to approximately one million dollars. "SafeSeed" sales in the various states for the past year were as follows: Indiana, \$130,000; Maryland, \$3,000; Michigan, \$200,000; New York, \$40,000; Ohio, \$75,000; Pennsylvania, \$3,000; Virginia, \$60,000; Wisconsin, \$3,500.

The expense of operating the Federation the first year was under \$4,000.

The statement was made that "The big problem before us now is to develop sources of known-origin, adapted seed to keep up with the demand."

In addition to selling seed, the organization has engaged in the work of spreading information regarding adapted seed, including warnings against certain undesirable imported seeds, also against the use of southern grown alfalfa seed in the Corn Belt.



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A CORRECTION

The attendance at the annual meeting of the Dairymen's League Cooperative Association, in New York City, June 15, was "two" and not "ten" thousand, as reported in Agricultural Cooperation for July 28, 1925, p. 291.